

# OCP

## 3Q AND 9M 2018 EARNINGS CONFERENCE CALL PRESENTATION

NOVEMBER 29<sup>TH</sup> 2018

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This presentation includes OCP's financial statements and metrics which are produced in Moroccan Dirhams ("MAD" the local currency) and presented in IFRS. For ease of presentation, financial information included in this presentation is translated into U.S. Dollars ("USD"), and these translated figures have not been audited. For the purpose of such translated figures, OCP used the following exchange rate table, which sets forth the period average and period-end USD/MAD exchange rates as follows:

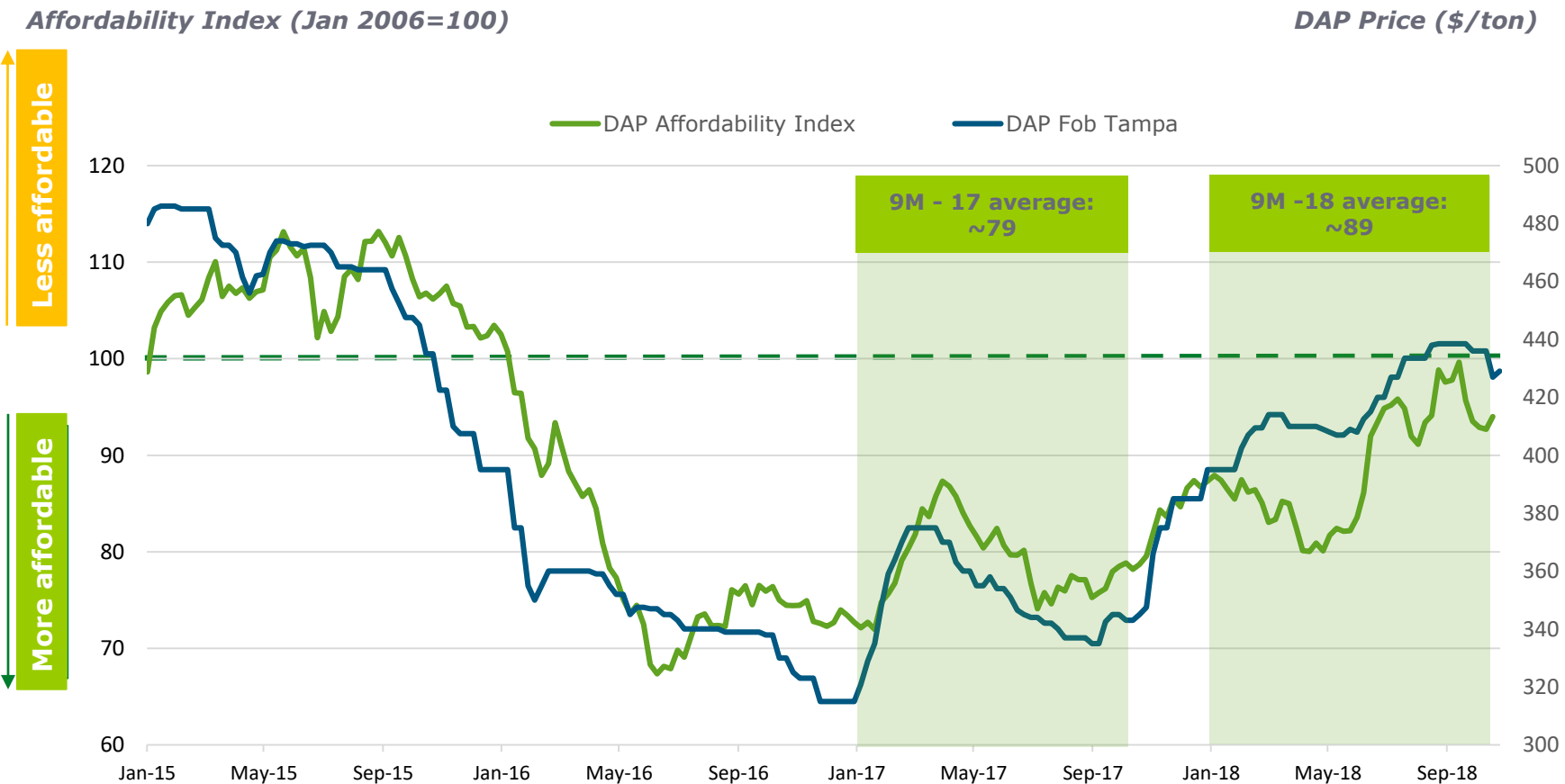
	43344	42979	dec-2017
Period End	9,451	9,4209	9,3276
Period average	9,344	9,7757	9,6902



## **MARKET OVERVIEW & PERFORMANCE**

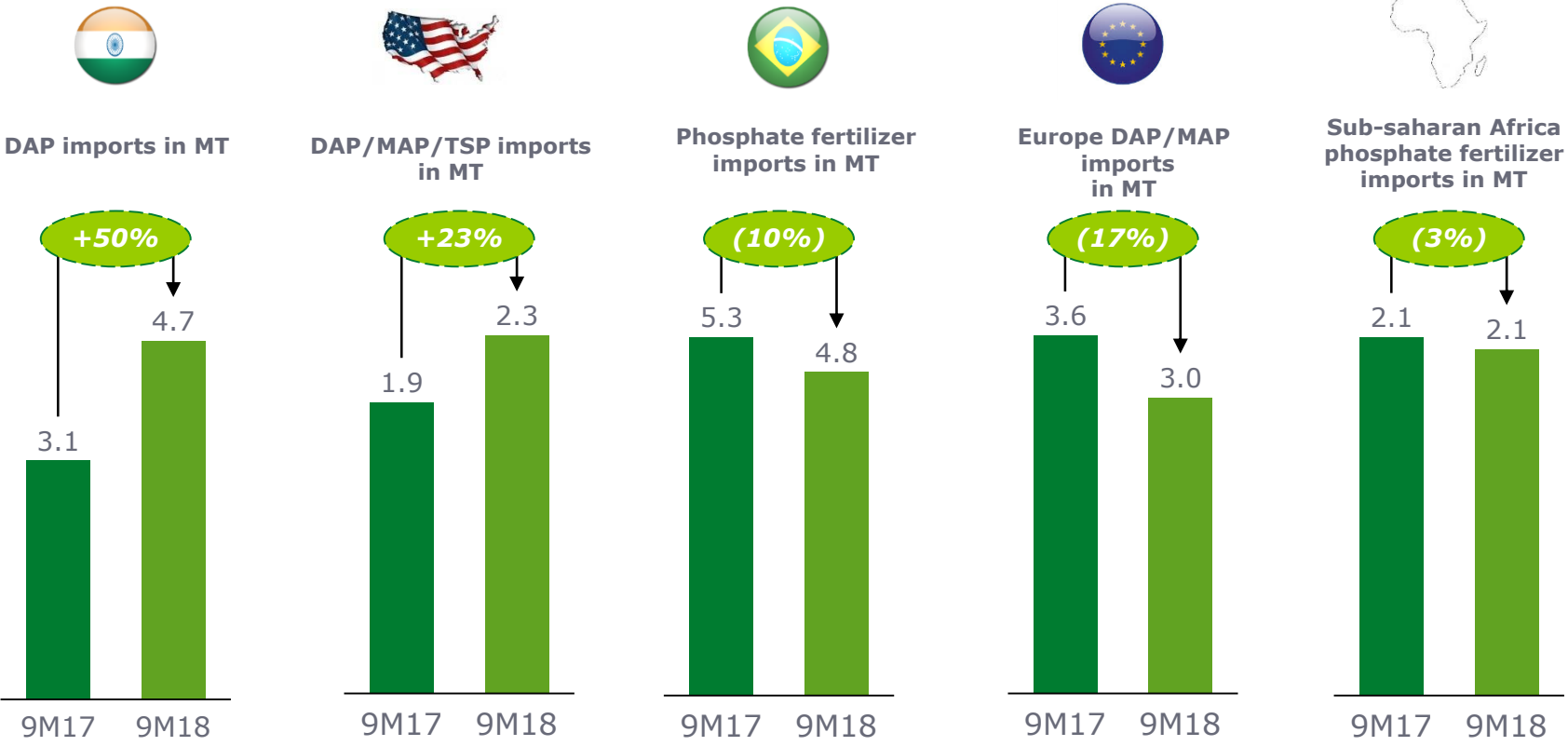
# Phosphate prices strengthened year-over-year, sustained by higher raw material prices

DAP Affordability Index



Sources: CRU, DAP affordability is a ratio between DAP average FOB prices (Tampa, North Africa, Saudi and Baltic) and the crop prices index (weighted average crop prices).

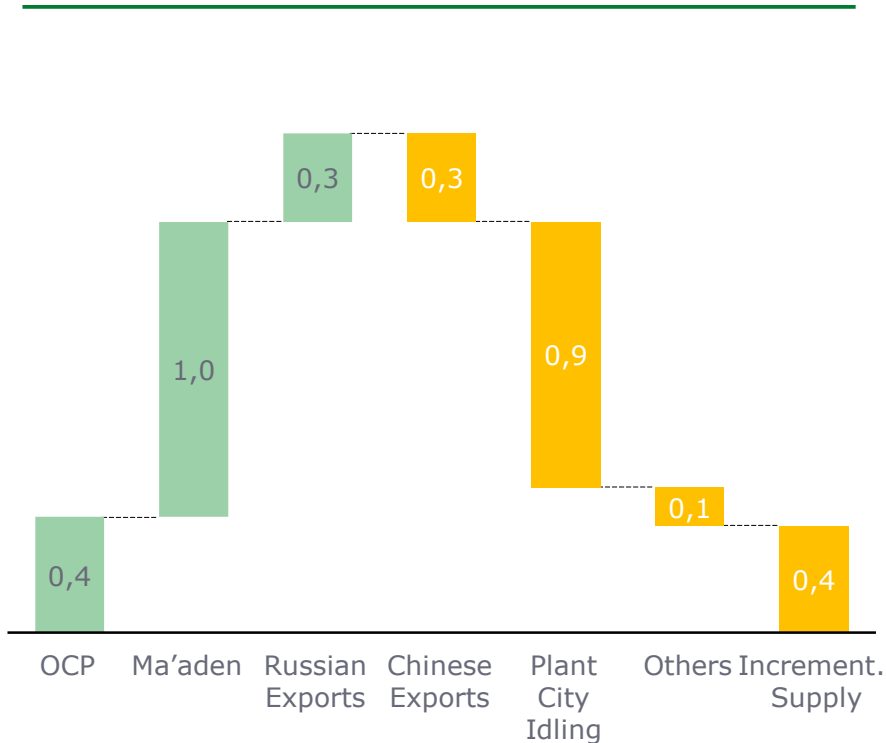
# Growing demand in the 9M from India and the US mitigated by lower imports from Brazil and Europe



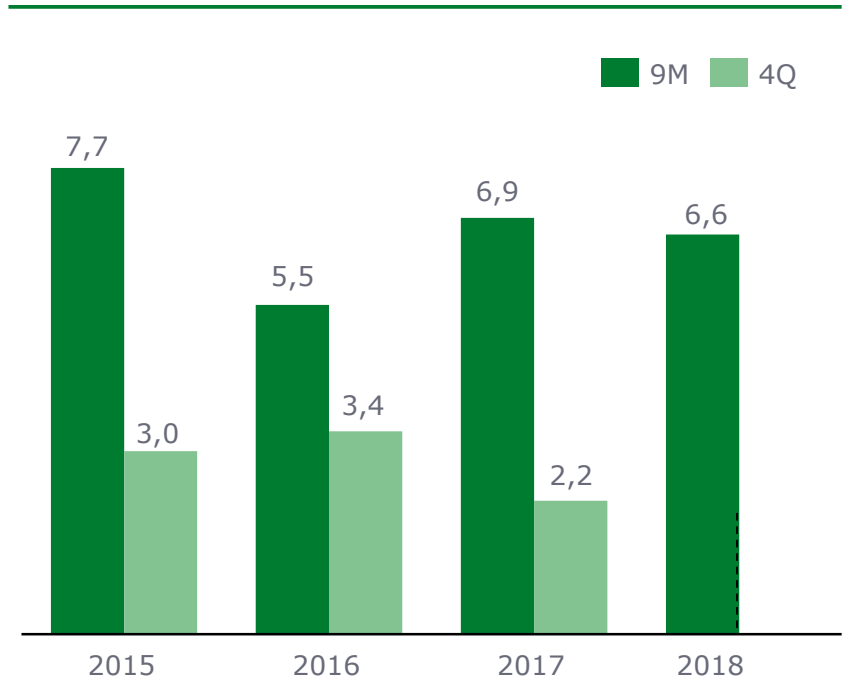
Sources: GTIS, OCP

# On the supply side, additional capacities were offset by closures and reduced exports

**Phosphate S/D Incremental Changes\*, 9M 2018**  
(MT product)



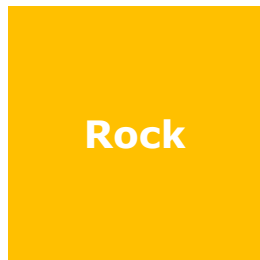
**Chinese DAP/MAP exports per year**  
(MT product)



Sources: Estimates OCP, Companies websites, GTIS, CRU

# OCP continued to execute well on its strategy, resulting in solid growth

## OCP priorities



**Rock**

**Consolidate Rock Export Volumes**



**Acid**

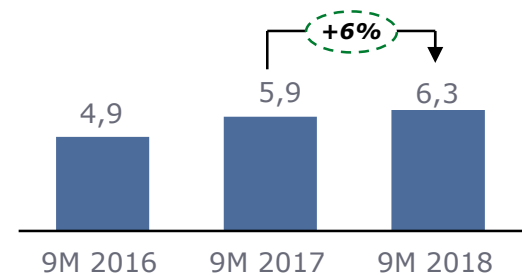
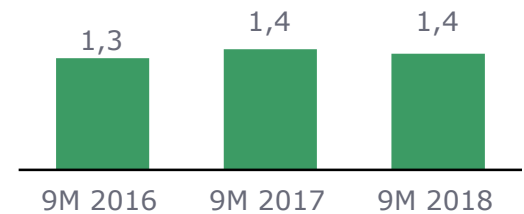
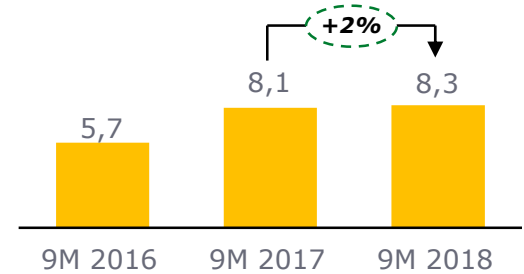
**Maintain leadership position on Acid**



**Fertilizers**

**Strengthen leadership position by focusing on growth markets**

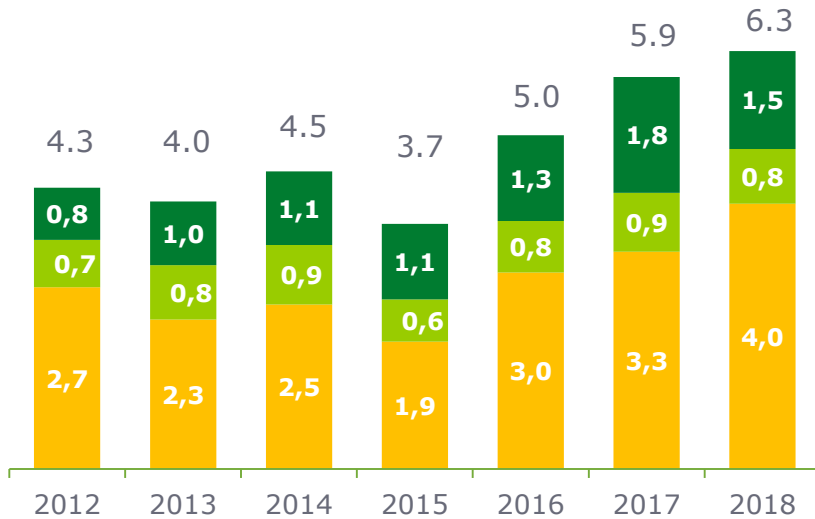
## OCP's achievements



MT for Phosphate rock and fertilizers and MT P2O5 for Phosphoric Acid  
Sources: OCP, estimated 2018

# Increasing fertilizer exports with a diversified customer base

**Fertilizer Exports volumes evolution in 9M since 2012**  
In million tons

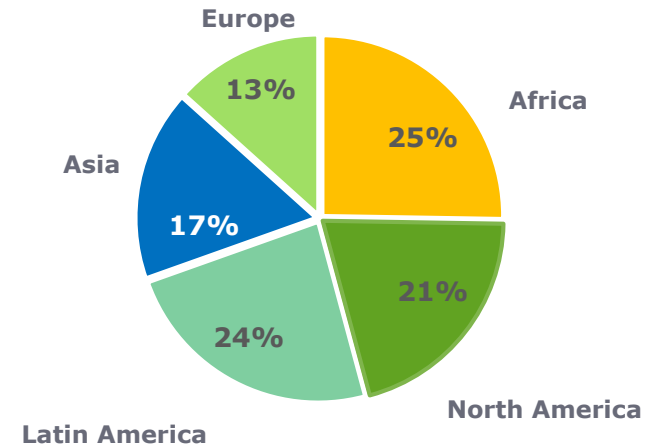


- NPS and NPK
- TSP
- DAP/MAP (Standard products)

► Premium products representing 37% of total exports

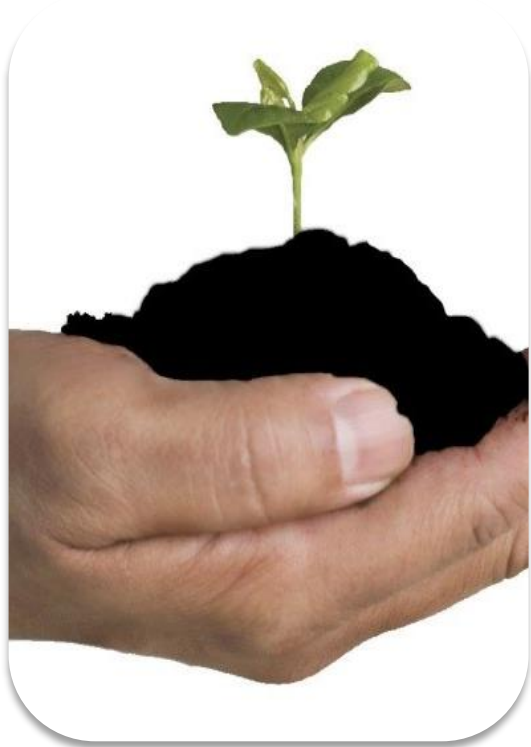
Source: OCP

**OCP's fertilizer export breakdown in 9M 2018**  
In %



- ✓ **Increasing** : Asia (+0.9 MT), North America (+0.1 MT)
- ✓ **Decreasing**: Europe (-0.3 MT) and Latin America (-0,2 MT)



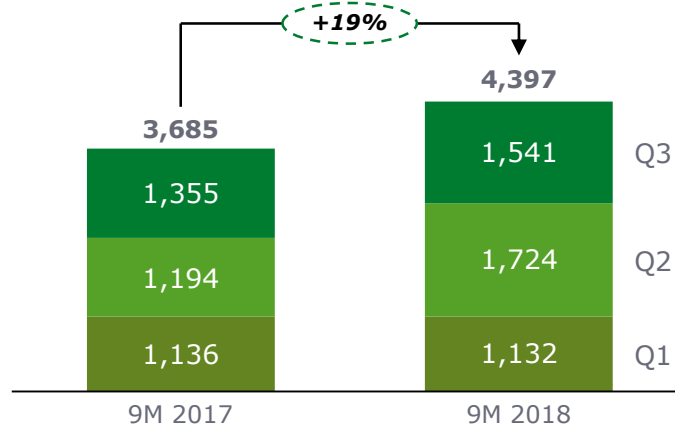


## **FINANCIAL OVERVIEW**

# 3Q 2018 Financial snapshot

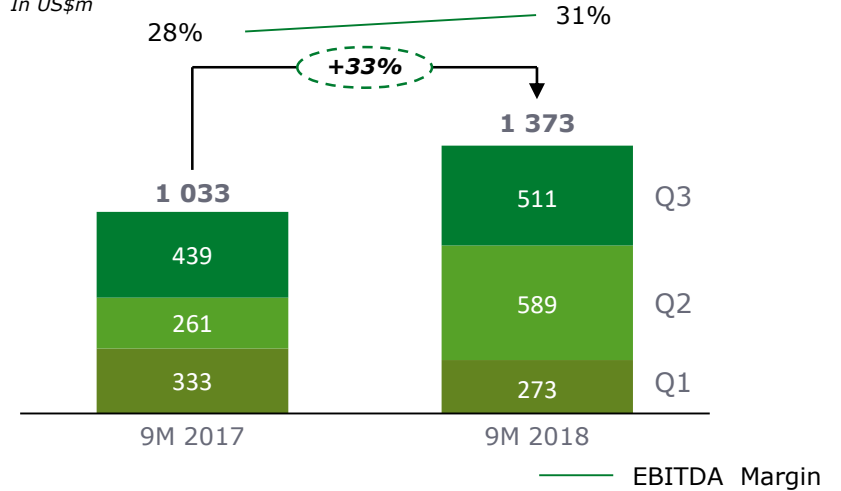
## Revenue

In US\$m



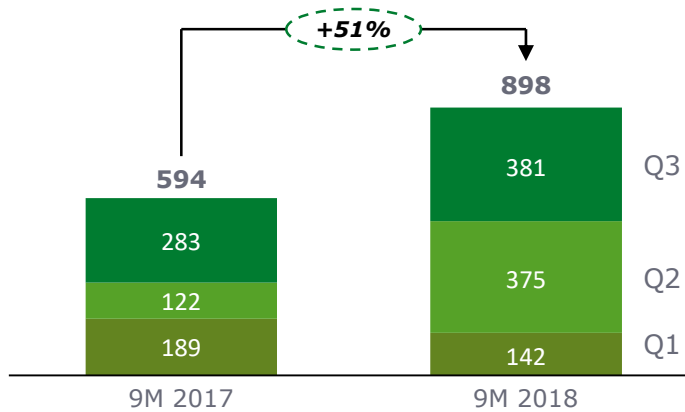
## EBITDA

In US\$m



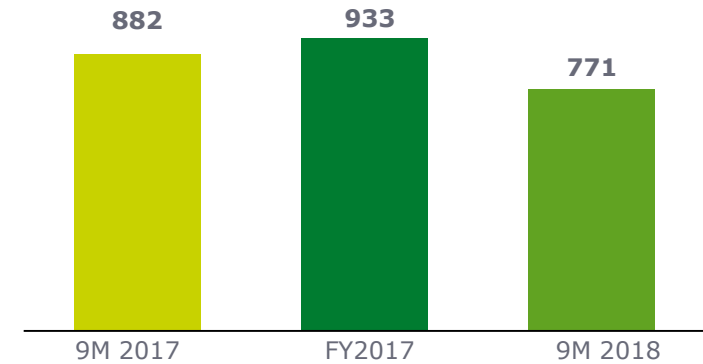
## EBIT

In US\$m



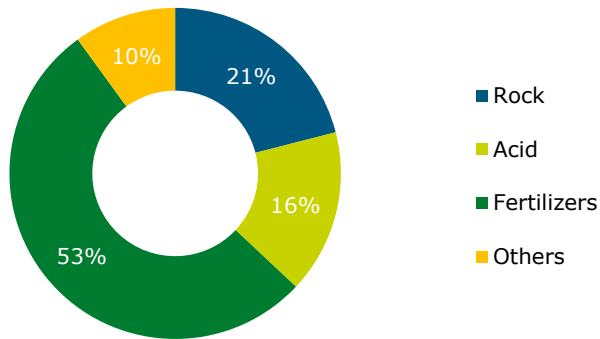
## Capex disbursement

In US\$m

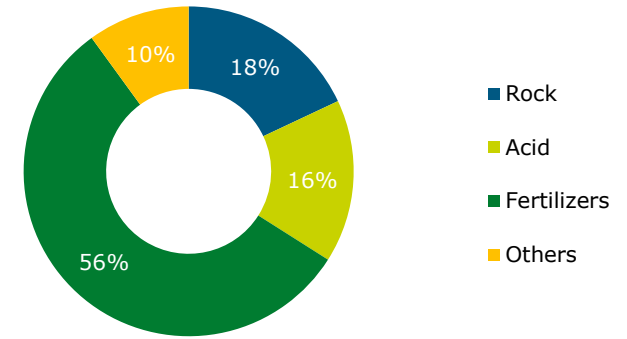


# 9M 2018 Revenue breakdown and evolution

9M 2017 revenue by Product

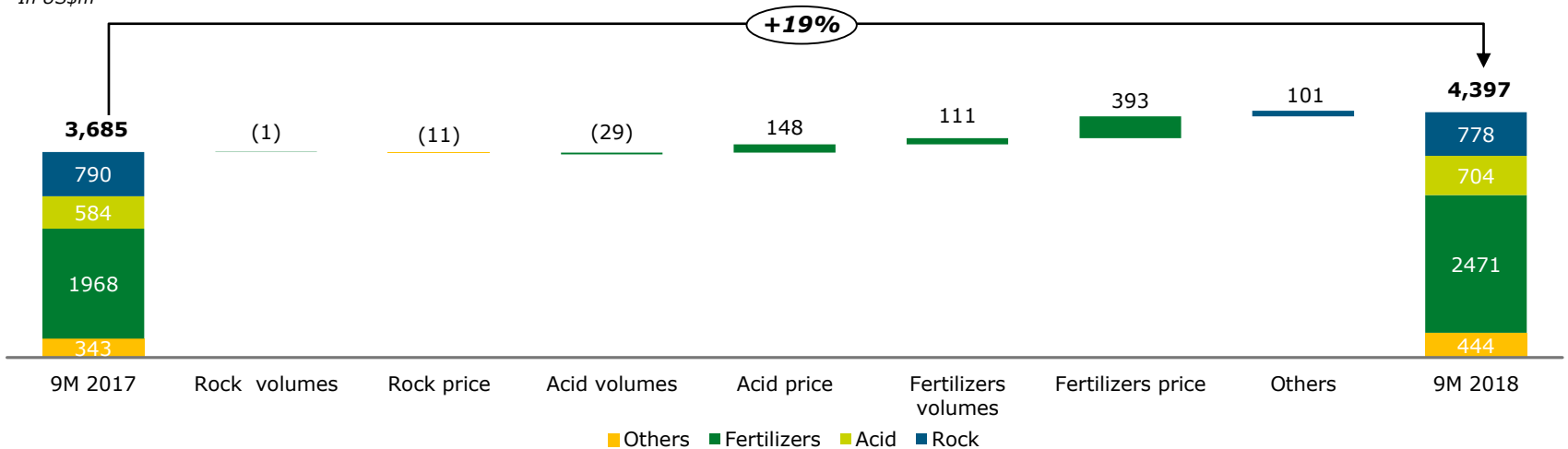


9M 2018 revenue by Product



## Revenue Breakdown

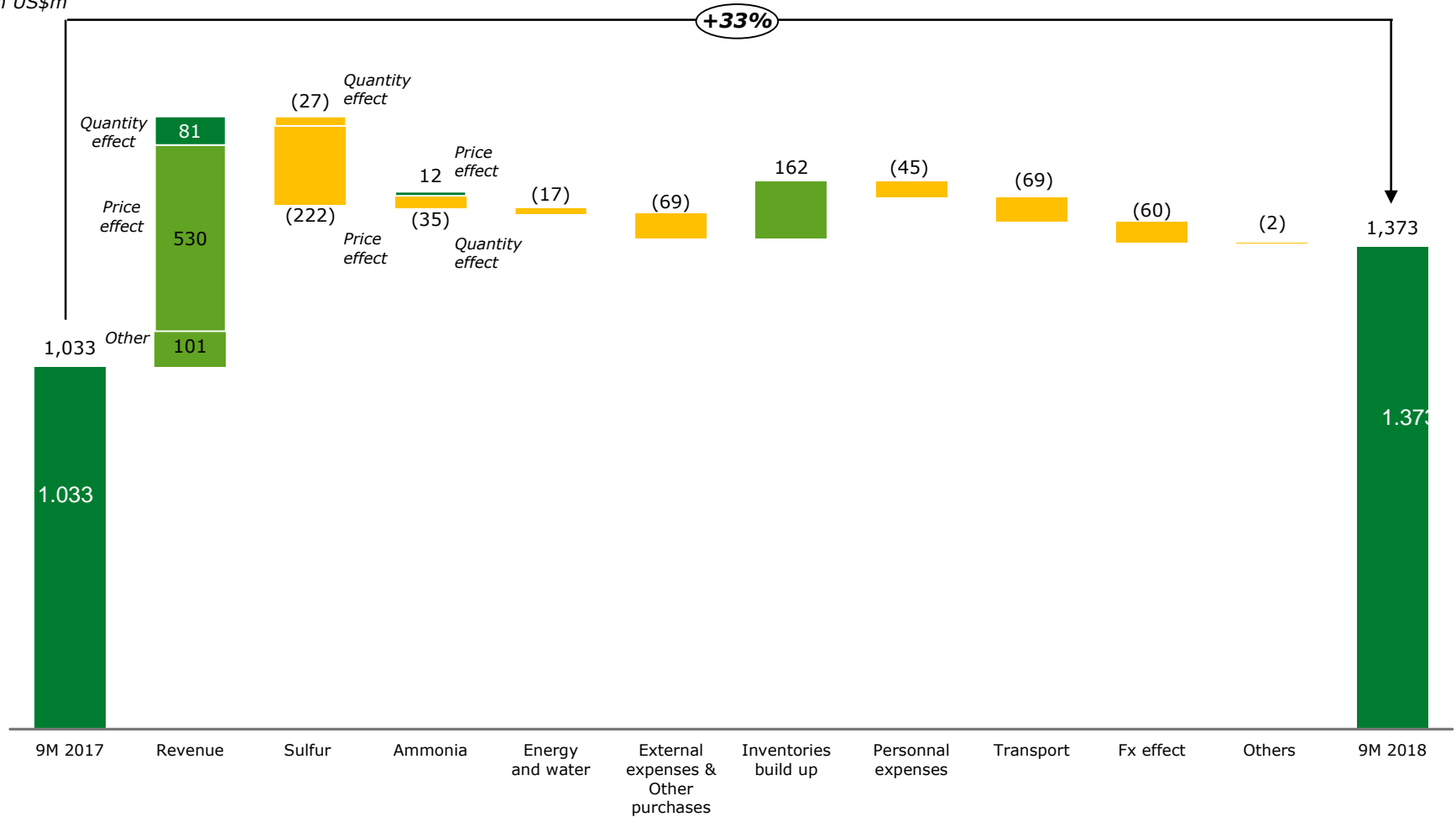
In US\$m



# 9M 2018 EBITDA evolution

## 9M EBITDA Evolution

In US\$m





## **OUTLOOK**

# Market dynamics for 4Q 2018

## Demand

- Low season period: Stable to softening demand in Q4 resulting from the end of season in the main markets.
- Nevertheless, there is a window for demand catch-up and preparation for the next season
  - In North America with expected switch to corn for the spring
  - Recovery in Europe from bad weather conditions
  - Catch-up in Brazil given the low inventories

## Supply

- Increase of volumes (Ma'aden and OCP) expected in Q4, but less than expected offset by capacity closures (US, Canada) and miscellaneous reductions (Tunisia, South Africa...)
- China potential focus on the domestic market may limit exports

## Feedstock

- Softening Raw materials as from mid-4Q:
  - Expected lower ammonia prices due to additional capacities (new capacities in US and ramp-up of Indonesia)
  - Softening sulfur prices amidst pressure release from demand

→ **Softer seasonal demand outlook in Q4**

→ **Stable to lower prices context, as we go through the end of the year**

→ **Slight decrease of raw materials due to more supply in the second half of 4Q**